# NUEXCO

| NUEXCO REPORT 214<br>FIGURES OF THE MONTH<br>(May 31, 1986) | This Month (Report 214) | Last Month (Report 213) | 12 Months Ago (Report 202) |
|---|---|---|---|
| Exchange Value[1] | 17.00 | 17.25 | 15.00 |
| Transaction Value[1] | 17.15 | 17.10 | 14.45 |
| $UF_6$ Value[2] | 48.25 | 48.50 | 42.50 |
| Loan Rate[3] | 4% | 5% | 5% |
| Conversion Value[4] | 1.80 | 1.90 | 1.50 |
| Near-Term Uranium Supply[5] | 4.2 | 2.6 | 2.7 |
| Near-Term Uranium Demand[6] | 1.0 | 1.2 | 1.0 |
| Near-Term Supply-Demand Ratio | 4.3 | 2.1 | 2.8 |
| Recent Uranium Sales: | | | |
| Number of Transactions[7] | 6 | 6 | 8 |
| Quantity of Material[8] | 1.2 | 1.4 | 3.5 |
| Nuexco SWU Value:[9] | | | |
| at 0.3 tails assay and delivery within one year | 75 | 80 | — |
| USDOE SWU Prices: | | | |
| USEC | 125.00[10] | 125.00[10] | 135.00 |
| AFC | 153.00[11] | 153.00[11] | 153.00[11] |
| Requirements | 157.00[11] | 157.00[11] | 157.00[11] |
| Market Value of Enriched $UF_6$[12,13]: | | | |
| 2.5 w/o $U_{235}$ | 450 | 467 | 456 |
| 3.0 w/o $U_{235}$ | 575 | 598 | 587 |
| 3.5 w/o $U_{235}$ | 702 | 731 | 721 |
| 4.0 w/o $U_{235}$ | 831 | 866 | 857 |

[1]US $ per pound $U_3O_8$ equivalent.
[2]US $ per kilogram U as $UF_6$.
[3]Per annum.
[4]US $ per pound U as $UF_6$.
[5]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds $U_3O_8$).
[6]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds $U_3O_8$).
[7]Uranium sales only; does not include loans, conversion, or SWU transactions.
[8]Millions of pounds $U_3O_8$ equivalent.
[9]US $ per SWU.
[10]Effective 10/1/85.
[11]Effective 10/1/84.
[12]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 4/30/85 to 11/30/85, calculations used in the Nuexco SWU Value for DOE origin and delivery by the end of FY86. As of 12/31/85, calculations use the SWU Value for delivery within one year.
[13]US $ per KgU as $UF_6$, rounded to the nearest $.

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# NUEXCO

## EXECUTIVE SUMMARY
## REPORT 214
## (All data as of May 31, 1986)

**Exchange Value $17.00, down $0.25**

The **Exchange Value** is **$17.00** per pound $U_3O_8$, down $0.25 since last month.

**$UF_6$ Value $48.25, down $0.25**

The **$UF_6$ Value** is **$48.25** per kilogram U as $UF_6$, down $0.25 since last month.

**Transactions**

Six recent natural uranium sales are reported, involving approximately 1.2 million pounds equivalent $U_3O_8$ in the near term. Five of the sales involved spot or near-term delivery and three met the conditions for inclusion in the Transaction Value. Two transactions involved natural $UF_6$.

**Supply-Demand Ratio rose to 4.3:1**

Active spot and near-term **uranium supply** amounts to **4.2 million** pounds $U_3O_8$ equivalent, up 1.6 million pounds since last month. Active spot and near-term **uranium demand** totals **975 thousand** pounds, down 250 thousand pounds. The spot and near-term **supply-demand ratio** rose to **4.3:1.**

**Transaction Value $17.15, up $0.05**

The **Transaction Value** is **$17.15** per pound $U_3O_8$, up $0.05 since last month. The calculation includes 13 transactions involving a total of 2.1 million pounds $U_3O_8$ and equivalent $UF_6$, and covers a period of 4 months.

**Loan Rate declined to 4%**

The **Loan Rate** is **4 percent** per annum, down one percent.

**Conversion Value $1.80, down $0.10**

The **Conversion Value** is **$1.80** per pound U as $UF_6$, down $0.10 since last month. Active secondary market supply for conversion services for delivery within three years totals 1.7 million pounds U as $UF_6$. Active demand totals 565 thousand pounds U as $UF_6$. Three secondary market conversion transactions are reported.

**SWU Value for delivery within one year: $75**

The **SWU Value** at .3 tails and for delivery within one year is **$75** per SWU, down $5 since last month. No secondary market SWU transactions are reported.

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**Focus**

Niger's uranium operations produced 8.3 million pounds $U_3O_8$ in 1985, but further reductions at Somair's Arlit mine could cause Niger's output to decline to slightly more than five million pounds annually after 1990.

**Australia**

Pioneer Concrete Services Limited's bid to purchase North Broken Hill's 31-percent share of Energy Resources of Australia (ERA) has been called off. If the deal had been approved, Pioneer would have owned significant interest in both of Australia's active uranium producers.

**Netherlands**

The pro-nuclear Christian Democrat coalition government of Prime Minister Ruud Lubbers unexpectedly retained its majority in parliamentary elections, thereby preserving the possibility that two additional nuclear units will be built. Earlier polls had predicted that Lubbers' coalition would lose to the Labor Party, which advocates the abandonment of nuclear power in the Netherlands.

**United States**

A proposed revision to statutes pertaining to accounting standards for utilities having nuclear plants will be the subject of a standards board hearing in early June. At issue is the manner in which costs associated with building the plant, including disallowances and plant cancellations, are handled for accounting purposes.

**Raw Materials**

This article describing the various classifications of uranium deposits worldwide may serve as a useful reference guide.

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